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Chapter 9 Counsel for Tulare Local Healthcare District, Debtor

IN THE UNITED STATES BANKRUPTCY COURT
EASTERN DISTRICT OF CALIFORNIA
FRESNO DIVISION

In re

CASE NO. 17-13797

TULARE LOCAL HEALTHCARE
DISTRICT, dba TULARE REGIONAL
MEDICAL CENTER,

Chapter 9

DC No.: WW-101

Debtor.

Date: May 16, 2019

Time: 9:30 a.m.

Tax ID #: 94-6002897

Place: 2500 Tulare Street

Address: 869 N. Cherry Street
Tulare, CA 93274

Fresno, CA 93721

Courtroom 13

Judge: Honorable René Lastreto II

**DECLARATION OF SANFORD HASKINS IN SUPPORT OF MOTION FOR ORDER
AUTHORIZING ASSUMPTION AND ASSIGNMENT OF EXECUTORY CONTRACT
(DVA RENAL HEALTHCARE, INC.)**

I, Sanford Haskins, hereby declare and represent as follows:

1. I am the Chief Administrative Officer ("CAO") of Tulare Local Healthcare District, dba Tulare Regional Medical Center ("TRMC" or "Debtor"), the Debtor in the above-captioned Chapter 9 case.

2. I make this Declaration in support of Debtor's Motion for Order Authorizing Assumption and Assignment of Executory Contract (DVA Renal Healthcare, Inc.) ("Motion").

1 3. I have personal knowledge of the facts contained herein, except for those
2 stated on information and belief, and as to those matters I believe them to be true.

3 4. On September 30, 2017, Debtor filed a voluntary petition for Chapter 9
4 bankruptcy.

5 5. Debtor is a local health care district formed pursuant to Health and Safety
6 Code Section 3200 et seq. and is located in Western Tulare County.

7 6. Debtor has entered into a transaction with Adventist Health and its
8 affiliates, ("AH") whereby Debtor will lease its acute care hospital to AH. The lease is to
9 be effective on the date of issuance of a change of ownership license, which is
10 anticipated to be on or before March 30, 2019, or the date the change of ownership is
11 issued, whichever is later ("Closing Date").

12 7. As a part of the lease, that certain executory contract identified as the
13 Stat Laboratory Services Agreement, effectively dated August 23, 2017, by between
14 the District and DVA Renal Healthcare, Inc., which provided the District with laboratory
15 services (the "Contract") is to be assumed by Debtor and assigned to AH. The Debtor
16 believes that there is no cure to be paid as a part of this assignment.

17 8. Assumption of the Contract is essential to Debtor's successful
18 reorganization because it will enable Debtor to consummate the lease with AH. AH and
19 Debtor have determined that the Contract is critical to the business operations for
20 which AH will use the assigned contract to be transferred from Debtor to AH.

21 9. Debtor will have the financial assets to cure all defaults, if any, under the
22 Designated Contracts and Agreements.

23 10. AH is an established and well-capitalized entity. It has demonstrated its
24 ability to perform under the Contract by its prolonged growth and success in the health
25 care industry. This history of performance provides the non-Debtor parties to the
26 Contract with adequate assurance of future performance by AH.


27 11. Due to the proximity of the Closing Date, AH and Debtor are under time
28 pressure to complete tasks associated with the closing requirements of the lease. As a

1 result, a fourteen (14) day stay of order authorizing the assumption and assignment of
2 the Contract could delay closing and jeopardize Debtor's ability to consummate the
3 lease.

4 12. I am over the age of eighteen and if I were called as a witness in
5 connection with these proceedings I would and could testify as set out in this
6 Declaration.

7 I declare under penalty of perjury, under the laws of the United States of
8 America, that the foregoing is true and correct.

9 Executed this 1st day of May, 2019 at Portland, Oregon.

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13 Sanford Haskins, Chief Administrative Officer
14 Tulare Local Healthcare District, dba
15 Tulare Regional Medical Center
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